



MARTEC

www.martec.org

- **QUALITY**
- **IMPARTIAL**
- **ADVICE**

Martec Associates Ltd
Well House, Hay Lane
Horsley, Stroud
Glos. GL6 0QD
Tel 01453 832562
Email juli@martec.org
Web www.martec.org

Financial Services Authority
No 400992
www.fsa.gov.uk/register



GROWTH

STRENGTH

STABILITY



INVESTMENT UNIVERSE

While there has been a massive increase in the information and products available, this has tended to increase the difficulty in getting quality impartial advice. Investors have three choices in managing their affairs:

- To do it themselves. This requires the knowledge, the time and the inclination. While many have one or two of these, it is all three elements which are needed for investment success. Furthermore, where a trust is involved, the trustees have a duty under the Trustee Act 2000 to seek professional, independent advice. This requires an adviser with access to the whole market and specialist qualifications such as being a member of Society of Trust and Estate Practitioners (STEP).
- To go to a bank, stock broker or large IFA. These will be larger organisations with significant resources but be more impersonal and who will manage it within a fairly confined process of your risk stance and their multi-manager funds. The person you work with when you start out may, especially if they are good, move on leaving you to build a new relationship.
- To go to a small specialist investment IFA such as Martec. We are likely to take a more conviction based approach and give you a more personal service. A feature of our approach is that we do not invest client money in areas we do not understand and would not use for our own money.

We are not constrained in the investments we use and are prepared to invest in, where appropriate, directly held equities, investment trusts, exchange traded (index tracking) funds, and collectives (unit trusts etc).



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INVESTMENT PLATFORM

Modern technology has led to massive changes in delivery of investment administration and advice and a central part of our proposition is to use what is called a platform. This is a vehicle purely for holding investments as nominees and providing the stock broking and administrative services such as tax accounting etc.

It enables investors to combine a number of different wrappers (investments, ISAs, pensions etc) within one easily accessed portfolio. The choice is generally led by the tax regime which in the current fiscal environment is subject to change. You have your own account number and PIN and can access the system at any time to see all of your holdings in one place. Advantages include:

- It is totally transparent with the reports giving details of every cost, rebate and income etc.
- You can purchase virtually any investment you like from individual shares, investment trusts, exchange traded funds (ETFs) or unit trusts.
- You can trade them yourself if you wish or, more normally, agree an investment strategy following recommendations from us which we then implement.
- It is possible to purchase investments on a monthly basis, thus averaging the cost which is beneficial at times of volatile markets.
- Financial strength to give you confidence your money is in a safe place, but tightly FSA regulated fail safe systems in case something goes wrong



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OUR INVESTMENT PHILOSOPHY

Martec is a conviction based investment adviser: for many years we have not believed in the perceived wisdom that market timing is irrelevant. This view is attractive to long only fund managers who have a vested interest in their clients buying and holding their investments. The following figures are a damning indictment on the buy and hold approach:

FTSE 100 index

Date	Index	Notes
31/1/1994	3466	
31/3/1998	5832	In March 1998, the FTSE 100 climbed through 6000 for the first time
31/12/1999	6930	Middle of technology bubble, highest point for FTSE
31/1/2003	3567	Just before the start of the Iraq war
31/10/2007	6721	High point just after Northern Rock problems surfaced
27/2/2009	3830	During early March the index fell below 3466 to Jan 94 level

Thus if an investor had bought an index tracker in January 1994, 15 years later they might be showing no capital gain. However over this period, technology stocks have boomed and then fallen, as have property funds, and latterly government bonds.

We believe that asset allocation is more important than buying and holding and look for investment managers who have a proven record of success over both bull and bear markets.



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MARTEC INVESTMENT PROCESS

The starting point of our investment process is to understand your needs and objectives. Whether investing £100,000 or £1m, the principle and due diligence is the same. We then need to understand your appetite to risk and use a standardised risk profiling process to give a consistent approach.

We differ from other advisers by overlaying our own research into the global and local economy and the risk / reward of equity investment against bonds and other asset classes. There will be times, as in 2009/2010, when preserving the real value of capital should be paramount and other times when a more aggressive investment stance is appropriate to build on growth opportunities.

There is no doubt that the economic landscape is changing and Asia and emerging markets will dominate economic growth over the next 10-25 years. However, investing in these countries is more volatile and needs to be balanced with more cautious investments in a diversified portfolio.

We build up an investment strategy looking at the volatility of the underlying funds from our research and put it forward to you for discussion. We want to engage you in this process because the more you understand about the risks and assets proposed the better the investment decisions made.

Having agreed the strategy we will then set about implementing it through the investment platform and you can follow progress online.

No portfolio is right for ever and an integral part of our process is ongoing review. With trustees, we also make sure the review process is properly documented so that they have an audit trail confirming their compliance with Trustee Act 2000



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MARTEC CAPABILITY

Martec has two directors, Alistair Thomson and Juli Carey.

Juli has 17+ years experience within our business and is extremely knowledgeable about financial products and complying with the administrative regulations, a growing requirement in providing advice in the 21st century.

Alistair Thomson is the main investment adviser who has been committed to achieving additional qualifications for handling all aspects of financial advice. These advanced qualifications include:

- Degree in Economics
- Advanced Financial Planning Certificate (meeting the requirements of the financial services industry post 2012)
- Society of Trust and Estate Practitioners (STEP)
- Fellow of Association of International Accountants

In addition we have an additional investment adviser and related support staff to provide a dedicated service to our clients.

Our computer systems provide the basis of speedy and accurate administration and we have the relevant disaster recovery programmes in place to protect the business.



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